



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt a resolution authorizing the City Manager to allocate a Public Benefits Program grant in the amount of \$24,180 to Scientific Specialties, Incorporated for a demand-side management project (EUD)

MEETING DATE: January 19, 2005

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to allocate a Public Benefits Program grant in the amount of \$24,180. to Scientific Specialties, Incorporated for a demand-side management project.

BACKGROUND INFORMATION: Scientific Specialties, Incorporated (SSI), located at 1310 Thurman Street, manufactures specialized plastic products. These products are predominately used in the medical and research fields, and are provided to organizations throughout the world.

In late 2004, facility engineers and maintenance operators at SSI began the process of replacing inefficient and aging plastic injection molding machines inside the plant. By way of this Council item, SSI is seeking a utility rebate in the amount of \$24,180. (which reflects the maximum 15 percent rebate available to large commercial/industrial customers who pursue significant demand-side management/energy conservation projects). SSI has purchased and installed two new plastic injection molding machines (at a total cost of \$161,200) – a Toshiba EC65N, all electric machine, and an Arburg Allrounder 420 A all electric machine. Both units are electric-fired, and have replaced two larger, hydraulic, reciprocating injection molding machines. The new Toshiba and Arburg models, combined, utilize fifty (50) percent less electricity than the two older machines. The two old units were hydraulic, and were designed to operate at full capacity, virtually non-stop during production hours; the two new models are equipped with multiple speeds, and an "idle" mode, which will allow SSI operators to vary the speed or shut the machine down during non-production time. This variable speed capability, along with engineered equipment improvements, lead to reduced energy consumption and increased operator flexibility during manufacturing hours.

SSI staff will continue to replace aging, inefficient plastic injection molding machines throughout the facility in 2005. Staff is also considering utilizing the Public Benefits Program grant (if approved) towards the purchase of additional, high efficiency equipment. The City of Lodi encourages large commercial and industrial customers to reinvest these grant dollars in their local operations, particularly in the area of additional energy efficiency improvements.

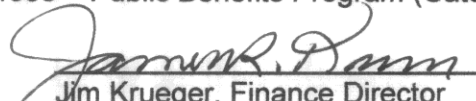
APPROVED: 
Janet Keeter, Interim City Manager

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Electric Utility staff respectfully recommends approval of this Public Benefits Program grant as a
qualifying component of the City of Lodi Public Benefits Program, in the category of demand-side
management or energy conservation.

FUNDING: 164605 – Public Benefits Program (Category: Demand-side management)

Funding Approval:


Jim Krueger, Finance Director


Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Mgr. Cust. Service & Programs

ANV/RL/mdw

Attachments

cc:

RESOLUTION NO. 2005-14

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS
PROGRAM GRANT – DEMAND-SIDE MANAGEMENT PROJECT
TO SCIENTIFIC SPECIALTIES, INC.

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on an historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, Scientific Specialties, Inc. (SSI), located at 1310 Thurman Street, manufactures specialized plastic products that are predominately used in the medical and research fields and are provided to organizations throughout the world; and

WHEREAS, in late 2004, facility engineers and maintenance operators at SSI began the process of replacing inefficient and aging plastic injection molding machines inside the plant; and

WHEREAS, SSI is seeking a utility rebate in the amount of \$24,180, which reflects the maximum 15 percent rebate available to large commercial/industrial customers who pursue significant demand-side management/energy conservation projects; and

WHEREAS, SSI has purchased and installed two new plastic injection molding machines at a total cost of \$161,200: 1) a Toshiba EC65N all electric machine and 2) Arburg Allrounder 420 A all electric machine. Both units are electric-fired and have replaced two larger, hydraulic, reciprocating injection molding machines; and

WHEREAS, the new Toshiba and Arburg models combined utilize 50 percent less electricity than the two older machines. The two old units were hydraulic and were designed to operate at full capacity, virtually non-stop during production hours; the two new models are equipped with multiple speeds and an "idle" mode, which will allow SSI operators to vary the speed or shut the machine down during non-production time. This variable speed capability, along with engineered equipment improvements, lead to reduced energy consumption and increased operator flexibility during manufacturing hours; and

WHEREAS, Electric Utility staff respectfully recommends approval of this Public Benefits Program grant as a qualifying component of the City of Lodi Public Benefits Program in the category of demand-side management or energy conservation.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant – demand-side management project to Scientific Specialties, Inc., in the amount \$24,180.

Dated: January 19, 2005

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I hereby certify that Resolution No. 2005-14 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 19, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce,
and Mayor Beckman

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk